

LBNL – PROCUREMENT STANDARD PRACTICES

Section: 36 Construction and A-E Subcontracting

Subject: 36.2 Architect-Engineer Services

PURPOSE: This standard practice (SP) outlines the procedures to be followed in subcontracting for architect-engineer (A-E) services.

POLICY: Selection of subcontractors will be based primarily upon the qualifications of the A-E firms. Cost, price, or other factors may also be considered in the selection of A-E subcontractors. With the exception of turn-key subcontracts, no subcontract for the construction of a project will be awarded to the subcontractor or its subsidiaries or affiliates who designed the project unless approved by DOE.

SCOPE: This SP applies to all subcontracts for A-E services.

DEFINITIONS:

Architect-Engineer Services Architect-engineer services are professional services generally associated with the design, alteration, construction, or repair of real property, as well as incidental services that may logically or justifiably be performed by A-E professionals. Examples include engineering and environmental studies, investigations, surveys, evaluations, consultations, planning, conceptual designs, plans and specifications, cost estimates, recommendations, and other related services.

Multi-Task A-E Subcontract A multi-task A-E subcontract is an A-E subcontract for a specified discipline (or disciplines) to perform multiple tasks totaling no more than a specified dollar amount in any given year. These subcontracts are written for a one year term with the option to renew for additional years up to a maximum of three years. The subcontracts will specify a maximum dollar value that will not be exceeded for any single task. The subcontracts include hourly labor rates which may be subject to a specified escalation provision for option years. Each task placed against the multi-task subcontract is separately negotiated and administered. Most tasks will be firm fixed price but some tasks may be negotiated on a labor hours basis using the hourly rates in the subcontract. Materials and expenses may be reimbursed at cost.

Selection Committee A selection committee is a group established to determine the competence and qualifications of A-E firms for specific project or multi-task requirements being solicited by the Laboratory.

Selection Official The selection official is the person responsible for oversight of the selection committee. The Head of Design and Construction in the Facilities Division will serve as the selection official for all subcontracts initiated by the Facilities Division. Another official may be designated by the procurement specialist in the event that an A-E procurement is initiated by a division other than the Facilities Division. The selection official is not a voting member

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of the selection committee and does not participate in its day-to-day activities.

Single Project A-E Subcontract

A single project A-E subcontract is an A-E subcontract for a single specific A-E project. The subcontract is written for a specific scope and dollar amount.

Standard Form (SF) 330

A Standard Form (SF) 330 is a federal form entitled *Architect-Engineer and Related Services Questionnaire*. It is commonly used by all types and levels of government entities to obtain qualifications and performance data about A-E firms.

PROCEDURES:

A-E Selection Procedures for Subcontracts Exceeding \$100,000.

A-E selection procedures for subcontracts exceeding \$100,000 are used for both single project and multi-task A-E subcontracts. These procedures are more formal than those discussed in the section entitled *Simplified A-E Selection Procedures* below.

Selection Committee

A selection committee is established to determine the competence and qualifications of A-E firms for a specific project or multi-task requirement being solicited by the Laboratory. The selection official will approve the proposed members of the selection committee. The procurement specialist will coordinate all selection committee functions, maintain all official documentation, and will serve as the chairperson and a voting member of the selection committee.

Before the Screening Committee begins its work, the Procurement Specialist will assure that each member of the Screening Committee has executed a *Confidentiality and Conflict of Interest Acknowledgment* if they are a University employee, or a *Confidentiality and Conflict of Interest Certificate* if they are a non-University employee. (See SP 15.4, *Source Selection* for information about committee members' compliance with the State of California Political Reform Act)

Selection Committee Planning Meeting

During the initial planning meeting, a procurement milestone chart is developed and the ground rules of the selection committee are specified. All voting members should be present at all meetings, evaluations, and discussions.

Selection Criteria and Solicitation

The selection committee develops the subcontract selection criteria, and in the case of multi-task A-E subcontracts, determines how many subcontract awards are needed. Based on the selection criteria, the committee develops the public announcement. At a minimum the procurement specialist shall publicly advertise the A-E opportunity on the Federal Business Opportunities web site and in the California State Contracts

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Register. Opportunities may also be published in A-E newsletters and trade publications. (See SP 5.1, *Publicizing Subcontract Actions*.) Sufficient time must be allowed between publication of the announcement and the due date for receipt of A-E proposals.

Submission of
Qualifications

All A-E firms will be required to submit a SF 330 providing information about their qualifications and past performance. The SF 330 information will be the basis for determining a firm's qualifications for a specific requirement.

Receipt of
Proposals

Upon receipt of proposals, the procurement specialist shall provide a copy of each proposal to all committee members.

Compiling a Short
List and Ranking

A meeting of the selection committee will be held to discuss the strengths and weaknesses of the qualifications submitted by A-E firms and to develop a preliminary ranking of all A-E submittals based on best overall value to the University. A short-list of the highest-qualified firms will be compiled for further consideration.

Once the Screening Committee has rank-ordered the short list, the procurement specialist prepares a brief letter which contains an overview of the screening process and requests the selection official to approve the rank-ordered short list. When satisfied that the screening process was fairly conducted and that the selected firm is suitable to perform the work, the selection official will sign the letter indicating his/her approval and send it back to the procurement specialist.

The procurement specialist shall notify firms no longer under consideration (see SP 15.7, *Notification of Unsuccessful Offerors*), and then schedule interviews with each firm on the short list. The committee members will meet to interview each short listed firm, then meet again to discuss the strengths and weaknesses of the firms and to develop a final ranking.

Cost Proposal
Analysis

The recommendation of the selection committee as to the final ranking will be forwarded to the selection official for approval. Upon approval, the procurement specialist will request a fee proposal from the highest ranked firm. Multiple awards are often needed for multi-task A-E subcontracts, so more than one fee proposal will be requested in these cases.

Each fee proposal is subject to cost/price analysis in accordance with SP 15.6, *Cost or Price Analysis*. For a single project A-E subcontract, "fee" refers to the firm fixed price for the project. For a multi-task A-E subcontract, "fee" refers to the hourly rates for each classification of A-E expertise anticipated to be used on future A-E tasks.

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Negotiation

The cost/price analysis is used as the basis for negotiation of each A-E subcontract. If negotiations are not successful for the highest ranked firm for a single-project A-E subcontract, the next highest-ranked firm is selected for negotiation, contingent upon a cost/price analysis of that firm's fee proposal. Before the negotiated price is finalized, the procurement specialist will obtain the approval of the assigned engineer or design professional in the Facilities Department.

Use of Multi-Task A-E Subcontracts

Multi-task subcontracts will be used for A-E tasks within the specified scope of the multi-task subcontract unless one of the following exceptions applies:

- The existing multi-task A-E firm(s) lack the discipline(s) and/or specific experience required for the work.
- The existing multi-task A-E firm(s), although possessing the appropriate discipline(s) and/or specific experience
 - Are too busy,
 - Have reached their annual dollar limit,
 - Have not performed to the Laboratory's expectations in the past,
 - If used, will not help the Laboratory reach one of its socio-economic procurement goals.

The Facilities project manager may select the multi-task A-E subcontractor most appropriate for the specific task to be performed. The procurement specialist will negotiate a firm fixed price or not to exceed price for the task based on the negotiated hourly rates set forth in the multi-task subcontract.

Simplified A-E Selection Procedures

If an A-E project estimated to be \$100,000 or less cannot be performed by an A-E subcontractor with a multi-task subcontract, the procurement specialist may use a simplified A-E selection procedure which does not require that the A-E opportunity be advertised. Reasons for using the simplified A-E selection procedures, instead of using an A-E firm already under an existing multi-task A-E subcontract must, be documented in the procurement file.

To the maximum extent practicable requirements of \$100,000 or less will be made to qualified small businesses. For subcontracts to small businesses, selection may be made without competition to a qualified A-E firm recommended by the requester. The firm's qualifications will be determined by the requester and the procurement specialist based upon a review of the firm's SF 330.

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If no small businesses are known to be qualified to perform the services, or if the requester and the procurement specialist determine that competition is advantageous, selection will be made by the following process from among firms that have previously submitted SF 330s and/or firms that the requester and procurement specialist specifically request to submit SF 330s.

- An informal selection committee consisting of the procurement specialist and the requester will review the SF 330's. If both the requester and procurement specialist agree, an additional individual with specialized expertise may be added to the selection committee.
- The selection committee will request additional information as necessary from qualified firms, will rank up to three of the firms determined to be qualified, and will recommend the ranking to the selection official for approval.
- After approval of the selection, the procurement specialist will negotiate a firm fixed price, or hourly labor rates with a not to exceed price for the work to be performed.
- The award, administration and close-out of the resultant A-E subcontract will proceed the same as with any other A-E subcontract of a larger dollar value.

Concurrent Subcontracting

Combinations of subcontracts for A-E and construction services, which may result in self-inspection of construction work, tend to prevent a subcontractor from rendering unbiased decisions or create difficulties in segregating costs between subcontracts and should be avoided. Unless authorized by DOE, the following relationships must not be established within any subcontract(s) awarded by the Laboratory involving the same firm or affiliated companies:

- A subcontract or combination of subcontracts for both A-E and construction services on the same construction project. Should DOE authorize the Laboratory to award a subcontract(s) to a firm or affiliates under which it is to be responsible for both design and construction services, Title III inspection services must be performed by another organization approved by DOE.
- Both a cost-reimbursement subcontract and fixed-price subcontract for different projects if any portion of the work under either subcontract will be performed concurrently in the same general location. This restriction applies to subcontracts for construction services, A-E, or construction and A-E services.

Organizational

A-E subcontracts awarded principally for the purpose of providing

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Conflicts of Interest

evaluation services and activities or technical consulting and management support services are subject to the requirements of SP 9.3, *Organizational Conflicts of Interest*.

RESPONSIBILITIES:

Procurement Specialist

The procurement specialist shall:

- Serve as chairperson and a voting member of all selection committees;
- Coordinate all selection committee functions;
- Control and maintain all the official documentation of the selection committee;
- Publicize A-E opportunities when appropriate;
- Distribute A-E proposals to selection committee members;
- Ensure that all evaluation activities are properly implemented;
- Prepare all selection committee recommendations in writing for review and approval by the selection official;
- Notify A-E firms no longer under consideration;
- Schedule interviews with short-listed A-E firms;
- Request fee proposals from the highest ranked firm(s);
- Negotiate the fee for all A-E subcontracts.
- Obtain approval of the price from the project manager before finalizing the negotiated price; and
- Document the reason for using the simplified A-E selection procedure instead of using a multi-task A-E firm.

Project Manager

The project manager shall:

Select the multi-task A-E subcontractor most qualified for the specific task to be performed; and

Approve the negotiated price before the procurement specialist finalizes it.

Requester

The requester shall:

- Serve as a member of informal selection committees for simplified A-E selections; and
- Recommend A-E firms for consideration in A-E selections.

Selection Committee Members

Selection committee members shall:

- Participate in establishing procurement milestones;
- Draft evaluation criteria;

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- Determine how many multi-task A-E subcontracts are needed;
- Perform an independent evaluation of all proposals;
- Develop a preliminary ranking of A-E submittals;
- Establish a short list of firms;
- Participate in the evaluation interviews of firms being considered for award;
- Discuss strengths and weaknesses of the short listed firms, then develop a final ranking; and
- Perform in any other manner required by the chairperson to ensure a proper and unbiased evaluation.

Selection Official

The selection official shall:

- Provide oversight to the selection committee;
- Review and approve the proposed selection committee members;
- Review the short list and approve it in writing; and
- Approve the selection committee's recommendation for A-E selection.